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FISCAL IMPACT REPORT

| SPONSOR: | Lopez | | DATE TYPED: | 02/14/03 | HB | |
|-----------------------------------|-------|----------------|-------------|----------|------|-------|
| SHORT TITLE: Medicaid Self-Direct | | ed Care Option | | SB | 392 | |
| | | | | ANALY | YST: | Weber |

APPROPRIATION

| Appropriatio | on Contained | Estimated Add | litional Impact | Recurring or Non-Rec | Fund Affected |
|--------------|--------------|---------------|-----------------|-------------------------|------------------|
| FY03 | FY04 | FY03 | FY04 | | |
| | | | See Narrative | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From Human Services Department Department of health Agency on Aging Health Policy Commission

SUMMARY

Synopsis of Bill

Senate Bill 392 requires that the Human Services Department establish a self-directed care option in the Disabled and Elderly (D&E) and Developmentally Disabled (DD) Medicaid waiver programs, which would allow clients to direct their own care services and still have those services reimbursable by Medicaid.

Significant Issues

The Department of Health and the Human Services Department collaborated to develop the following information. The D&E and DD waivers promote person-center planning, individual budgets based on level of care, freedom of choice to select service providers and recognition of the essential role of the family or individual in planning and purchasing services. This is done with an annual resource amount that encourages cost effective decision making. Both DOH and HSD have been working on self-directed care options for these populations.

Senate Bill 392 -- Page 2

SB 392's requirement for self-directed medical and related personal care services reimbursable under the D&E and DD waivers would require the Human Services Department (HSD) to amend the existing waivers or apply for the Independence Plus 1915 (c) waiver to Centers for Medicare and Medicaid Services (CMS).

Components for the CMS definition of self-directed service option, which are not part of the current D&E and DD framework, include: a fiscal agent and a brokerage agency to support families and individuals as they direct their own services; and allowing eligible families and individuals to receive a cash allowance to purchase services.

FISCAL IMPLICATIONS

It is anticipated this change can be accomplished at current funding levels. Oversight of such a program would require operating increases to ensure the quality of care.

ADMINISTRATIVE IMPLICATIONS

A new waiver or waiver amendment for self-directed services through the D&E and DD waivers would require the development and implementation of regulations, policies and procedures, and service standards. SB 392 would require MAD to develop and implement quality assurance policy and procedures to monitor self-directed services to ensure quality and financial accountability.

MW/njw